

City Council Meeting
November 1, 2024
6:00 PM

Mayor Martin Grohman called the zoom meeting to order at 11:06 AM. Councilors Whiting, Gross, LaFountain, Ortiz and Lessard were present. Councilors Doughty, Beaupre, Emhiser and Belanger were excused.

On a motion by Councilor Whiting, seconded by Councilor Ortiz, the Council voted unanimously to approve the October 30, 2024 minutes.

Following a discussion on the proposed settlement to a potential litigation resulting from the recently adopted Condominium Conversions Emergency Moratorium, the Council voted 4-1 (Ortiz) to authorize the City Manager to enter into a settlement agreement with Pepperell Mill Progression, LLC; Peppermill Condominiums, LLC, and any and all other related entities/individuals based on the following terms:

1. Upon and in consideration of the City of Biddeford issuing condominium conversion permits for the 154 residential apartments to be converted to condominiums within Buildings 15, 35, 17 and 18 at the Pepperell Mill (the "Project") and confirming that the commercial space within those buildings may be converted to condominiums notwithstanding the moratorium adopted by the City on October 15, 2024 (the "Moratorium") Pepperell Mill Progression, LLC, Pepperell Mill Condominiums, LLC and any and all related entities/individuals (herein known as 'Project Owner') agree to waive any legal challenge of the City Council's adoption of the condominium conversions emergency moratorium.
2. The City agrees that the Moratorium will not be in effect for the Project Owner's application for conversion of Buildings 15, 35, 17 and 18, including the intended future application for nine (9) to-be-constructed residential condominiums in building 15, or any commercial condominiums at The Pepperell Mill.
3. The conversion of the residential apartments within the Project shall be subject to all of the conditions in the existing City of Biddeford condominium conversion ordinance unless otherwise specifically changed by this agreement.
4. The residential tenant notice period shall be no less than 180 days for any residential tenants within the Project receiving a notice to vacate specifically for the purposes of the condominium conversion.
5. Impacted residents shall receive the following transitional support from Pepperell Mill Progression et. a. as follows:
 - a. Shall make the cash payment for the amount equal to the rent paid for the immediately preceding two months as required in City Code Part III, Article VI, Section 72, E for those that entitled under the existing ordinance.
 - b. Any residential tenant who, voluntarily or for reasons aside from the condominium conversion, leaves at the end of their current residential lease shall receive a cash payment of one thousand dollars (\$1,000.00) in relocation assistance at the time of their move out.

- c. Any residential tenant who is given a 180-day notice to vacate specifically for the purposes of the condominium conversion shall receive the payment described in section 5.a above as well as two thousand dollars (\$2,000.00) in relocation assistance, payable upon their move out.
 - d. Any tenant who is renting a unit as of October 23, 2024 with a base rent (not including any additional add on charges for such these as CAM charges, etc.) of less than one thousand seven hundred fifty dollars (\$1,750.00) shall receive an additional one thousand dollars (\$1,000.00) in relocation assistance, payable upon their move out.
 - e. No transitional support will be given to residential rental tenants who are given a notice to vacate for other reasons such as nonpayment of rent or lease violations.
6. Any residential tenant who is given a 180-day notice to vacate specifically for the purposes of the condominium conversion shall be able to give a thirty (30) day notice to vacate (end the lease) without any penalty within that 180-day period and shall be entitled to the assistance as identified in the agreement.
 7. Any current residential rental tenants of Pepperell Mill as of October 23, 2024 shall have future annual renewal increases capped at five percent (5%) per year for no longer than a three-year period. No additional new charges or fee increases, including but not limited to maintenance or service fees, shall be imposed in a manner that effectively circumvents the 5% annual cap within this period. This is only applicable during the period in which these residential rental units are owned by Pepperell Mill Progression, LLC.
 8. Each tenant who does not elect to purchase a unit shall be entitled to assistance in finding a nearby rental accommodation. This assistance will be provided by the on-site staff at Pepperell Mill, including Megan Higgins and Courtney Brown. Megan and Courtney will assist these residential renters by providing a list of nearby rental options for their review. When possible, Megan and Courtney will work with the owners of these nearby buildings to pre-reserve units, as available, for these tenants. Each tenant will be responsible for researching the provided options independently.
 9. Any tenant who elects to purchase a unit shall have:
 - a. The opportunity to purchase a unit before the general public at an off-market price without competition other than from other tenants at the Project, but tenants will have the first opportunity without competition to purchase the unit that they are renting.
 - b. Their last month of rent free.
 - c. An additional 3.5% (of the purchase price) buyer credit added to the settlement statement at close.
 - d. An opportunity to qualify for a 90% mortgage toward the purchase price of a Pepperell condo. Presidium has partnered with Androscoggin Bank to work with tenants directly in exploring this opportunity and assist them in securing financing for their purchase. Qualification for the 90% mortgage and any other financing terms shall be determined by Androscoggin Bank or any other applicable lender in the lender's sole discretion, based on criteria established by the lenders.
 - i. *Note that these incentives are only available for those who are current residents of Pepperell Mill at the time that the condo purchase decision is made. Current residents who move out of Pepperell Mill and who return in the future will not be eligible to take advantage of these incentives.
 10. Pepperell Mill Progression, LLC will pay an increased condominium conversion fee of five hundred dollars (\$500) total per unit converted (an increase from \$150/unit as currently required) for all residential condominium conversion permits in buildings 15, 17, 35, and 18. Upon agreement to these terms, the City of Biddeford shall issue a "Will Issue" Letter to Pepperell Progression, LLC and Pepperell Mill Condominiums, LLC confirming that the permits

will be issued upon payment on this additional fee and that no condominium conversion permits shall be required for the conversion of commercial spaces in the Project to condominiums, which may proceed notwithstanding the Moratorium. The intention for these additional funds is a contribution to the Biddeford Affordable Housing Trust Fund.

The agreement shall be reviewed and recommended to the City manager by the City Solicitor prior to execution.

The Council adjourned at 11:34 AM on a motion by Councilor Lessard and seconded by Councilor Whiting. All members voted in that affirmative.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "James A. Bennett", with a stylized flourish at the end.

James A. Bennett,
City Manager